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PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Financial Report

Year Ended June 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-17-07

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INDEPENDENT AUDITORS' REPORT

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The Honorable Irvin F. Hingle, Jr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of and for the year ended June 30, 2006, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Plaquemines Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 9, 2006, on our consideration of the Plaquemines Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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The required supplementary information on pages 33 through 36 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Plaquemines Parish Sheriff has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plaquemines Parish Sheriff's basic financial statements. The other supplementary information, including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis, and is not a required part of the basic financial statements of the Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 9, 2006

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Statement of Net Assets
June 30, 2006

ASSETS

Current assets:	
Investments	\$ 3,110,695
Due from other governmental units	8,192,789
Prepaid items	<u>107,497</u>
Total current assets	<u>11,410,981</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	167,263
Investments	138,300
Capital assets, net	<u>10,235,739</u>
Total noncurrent assets	<u>10,541,302</u>
Total assets	<u>21,952,283</u>

LIABILITIES

Current liabilities:	
Accounts and other payables	1,566,616
Accrued interest payable	113,149
Claims payable	308,434
Deferred revenue	76,390
Capital leases payable	<u>194,960</u>
Total current liabilities	<u>2,259,549</u>
Noncurrent liabilities:	
Capital leases payable	296,005
Community disaster loan	3,163,271
Bond payable	<u>5,347,303</u>
Total noncurrent liabilities	<u>8,806,579</u>
Total liabilities	<u>11,066,128</u>

NET ASSETS

Invested in capital assets, net of related debt	4,397,471
Restricted	229,173
Unrestricted	<u>6,259,511</u>
Total net assets	<u>\$ 10,886,155</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Statement of Activities
For the Year Ended June 30, 2006

Expenses:

Public safety:

Personal services and related benefits	\$ 9,269,625
Operating services	2,686,597
Operations and maintenance	17,657,178
Travel	21,917
Interest expense	<u>207,733</u>
Total expenses	<u>29,843,050</u>

Program revenues:

Fines, forfeitures, and other fees	944,429
Federal grants	<u>20,971,371</u>
Total program revenues	<u>21,915,800</u>

Net program expense	<u>(7,927,250)</u>
---------------------	--------------------

General revenues:

Property taxes, levied for general purposes	8,772,328
State sources	1,467,056
Interest and investment earnings	113,023
Miscellaneous	<u>1,352,292</u>
Total general revenues	<u>11,704,699</u>

Change in net assets	3,777,449
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Beginning net assets	<u>7,108,706</u>
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Ending net assets	<u>\$10,886,155</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION - MAJOR FUND

MAJOR FUND

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Balance Sheet
Governmental Fund - General Fund
June 30, 2006

ASSETS

Cash and interest-bearing deposits	\$ 167,263
Investments	3,248,995
Receivables:	
Due from other governmental units	7,313,315
Prepaid items	<u>107,497</u>
Total assets	<u>\$ 10,837,070</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 1,481,516
Interest payable	33,850
Claims payable	308,434
Deferred revenue	6,887,800
Due to employees	<u>85,100</u>
Total liabilities	<u>8,796,700</u>
Fund balance -	
Unreserved, undesignated	<u>2,040,370</u>
Total fund balance	<u>2,040,370</u>
Total liabilities and fund balance	<u>\$ 10,837,070</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2006**

Total fund balance for governmental funds at June 30, 2006	\$ 2,040,370
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Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Buildings and improvements, net of \$217,882 accumulated depreciation	7,052,617	
Equipment and vehicles, net of \$3,287,691 accumulated depreciation	<u>3,183,122</u>	10,235,739

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:

Bond payable	(5,347,303)	
Community disaster loan	(3,163,271)	
Capital leases payable	(490,965)	
Accrued interest payable	<u>(79,299)</u>	(9,080,838)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Federal grant (FEMA funds)	<u>7,690,884</u>
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Total net assets of governmental activities at June 30, 2006	<u>\$ 10,886,155</u>
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The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund - General Fund
Year Ended June 30, 2006

Revenues:	
Taxes	\$ 8,772,328
Intergovernmental	14,747,544
Fees, charges, and commissions for services	1,242,650
Interest income	113,023
Miscellaneous	<u>1,352,292</u>
Total revenues	<u>26,227,837</u>
Expenditures:	
Current -	
Public safety	9,269,625
Operating services	2,686,597
Operations and maintenance	5,892,885
Travel	21,917
Debt service - principal	101,600
Debt service - interest	174,737
Capital outlay	<u>10,333,762</u>
Total expenditures	<u>28,481,123</u>
Other financing sources (use):	
Proceeds from community disaster loan	3,163,271
Proceeds from capital lease	114,765
Proceeds from bond refunding	5,525,000
Payment to escrow agent - defeased debt	<u>(5,307,562)</u>
Total other financing sources	<u>3,495,474</u>
Net change in fund balance	1,242,188
Fund balance, beginning	<u>798,182</u>
Fund balance, ending	<u>\$2,040,370</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2006

Total net change in fund balance at June 30, 2006 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 1,242,188
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The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 10,299,411	
Depreciation expense for the year ended June 30, 2006	<u>(782,741)</u>	9,516,670

Because governmental funds do not record fixed assets and accumulated
depreciation, any assets disposed of with no selling price do not affect the
statement of revenues, expenditures, and change in fund balance. However,
in the statement of activities, a gain or loss is shown on assets that are not
fully depreciated.

(11,046,941)

Governmental funds' record all debt activity in the Statement of Revenues,
Expenditures and Changes in Fund Balance whereas some of the debt
activity (ex: principal payments) is recorded in the Statement of Net Assets.

Principal debt payments for the year ended June 30, 2006	101,600	
Other financing sources and uses (net) are recorded as debt and reduction of debt	(3,278,036)	
Accrued interest payable	(32,996)	
Amortization of deferred charges	<u>(117,698)</u>	(3,327,130)

Revenues in the Statement of Activities that do not provide current
financial resources are not reported as revenues in the funds:

Federal grant (FEMA funds)	7,690,884
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Change in Due from Plaquemines Parish Government	<u>(298,222)</u>
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Total changes in net assets at June 30, 2006 per Statement of Activities	<u>\$ 3,777,449</u>
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The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 9,350,000	\$ 8,850,000	\$ 8,772,328	\$ (77,672)
Intergovernmental	829,500	16,519,780	14,747,544	(1,772,236)
Fees, charges, and commissions for services	4,536,200	1,232,423	1,242,650	10,227
Interest Income	55,000	51,000	113,023	62,023
Miscellaneous	28,200	1,241,592	1,352,292	110,700
Total revenues	<u>14,798,900</u>	<u>27,894,795</u>	<u>26,227,837</u>	<u>(1,666,958)</u>
Expenditures:				
Current:				
Public safety -				
Personal services and related benefits	7,602,582	9,701,019	9,269,625	431,394
Operating services	2,783,000	2,233,201	2,686,597	(453,396)
Operations and maintenance	2,867,500	5,681,215	5,892,885	(211,670)
Travel	15,000	21,500	21,917	(417)
Debt service	1,125,510	213,120	276,337	(63,217)
Capital outlay	184,900	8,735,883	10,333,762	(1,597,879)
Total expenditures	<u>14,578,492</u>	<u>26,585,938</u>	<u>28,481,123</u>	<u>(1,895,185)</u>
Excess of revenues over expenditures	<u>220,408</u>	<u>1,308,857</u>	<u>(2,253,286)</u>	<u>(3,562,143)</u>
Other financing sources (use):				
Proceeds from community disaster loan	-	-	3,163,271	3,163,271
Proceeds from capital lease	-	-	114,765	114,765
Proceeds from bond refunding	-	-	5,525,000	5,525,000
Payment to escrow agent - defeased debt	-	-	(5,307,562)	(5,307,562)
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,495,474</u>	<u>3,495,474</u>
Excess of revenues and other financing sources over expenditures	<u>220,408</u>	<u>1,308,857</u>	<u>1,242,188</u>	<u>(66,669)</u>
Fund balance, beginning	<u>798,182</u>	<u>798,182</u>	<u>798,182</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,018,590</u>	<u>\$ 2,107,039</u>	<u>\$ 2,040,370</u>	<u>\$ (66,669)</u>

The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTIONS - NONMAJOR FUNDS

FIDUCIARY FUNDS - AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary net assets.

Civil Fund

The Civil Fund was established to account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund

The Tax Collector Fund was established per Article V, Section 27 of the Louisiana Constitution of 1974, which provides that the sheriff will serve as the collector of state and parish taxes and fees. The Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Installment Fines Fund

The Installment Fines Fund is used to account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bond and Fines Fund when the fine has been completely collected and disposition is made by that fund.

Bonds and Fines Fund

The Bonds and Fines Fund is used to account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Prison Inmate Fund

The Prison Inmate Fund is used to account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2006

ASSETS	
Cash and cash equivalents	<u>\$2,085,212</u>
LIABILITIES	
Held for others pending court action	\$ 578,964
Held for inmates	29,910
Held for taxing bodies	<u>1,476,338</u>
Total liabilities	<u>\$2,085,212</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Plaquemines Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed below.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, fines, costs, and bond forfeitures imposed by the district court.

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees,

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The various funds of the Sheriff are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

The fund of the Sheriff which is considered to be a major fund is described below:

Governmental Fund –

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

The following funds are nonmajor funds:

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The individual agency funds used by the Sheriff for the year ended June 30, 2006 are as follows:

Civil Fund - To account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Installment Fines Fund - To account for the collection of fines paid on an installment basis as authorized by the court. Transfers are made to the Bonds and Fines Fund when the fine has been completely collected and disposition is made by that fund.

Bonds and Fines Fund - To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Prison Inmate Fund - To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized as soon as they are both "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days, including the FEMA grant program. All other grant revenues are recognized in the same period as the underlying expenditures. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Sheriff.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for building, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Sheriff's threshold for capitalization is \$1,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of the revenue bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Employees of the Sheriff's office earn from 10 to 25 days of vacation leave each year, depending on their length of service and earn 5 days of sick leave. Both vacation and sick leave must be taken in the year it is earned. At June 30, 2006, the Sheriff has no leave benefits required to be accrued and reported.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

E. Budget and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff.

F. Cash, Interest-Bearing Deposits and Investments

Cash, interest-bearing deposits and investments include amounts in demand deposits, time deposits, and interest-bearing securities invested with the Louisiana Asset Management Pool (LAMP), which are stated at cost. An investment in the amount of \$3,248,995 at June 30, 2006 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

At June 30, 2006, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$2,252,475 of which \$2,085,212 is attributable to nonmajor fiduciary funds, which are not presented in the statement of net assets.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2006, are secured as follows:

Bank balances	<u>\$8,509,539</u>
Federal deposit insurance	\$ 208,867
Pledged securities (category 3)	<u>8,300,672</u>
Total federal insurance and pledged securities	<u>\$8,509,539</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Investment

The Sheriff had only one investment on which GASB Statement No. 31 applied. This investment was an investment in LAMP. GASB Statement No. 31 requires that investments that fall within the definitions of said statement be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is also regulated by the Treasury of the State of Louisiana and fair value of the position in the pool is the same as the value of pool shares.

At June 30, 2006, the Sheriff's investment, at cost, is \$3,248,995. The amortized cost of this investment at June 30, 2006 is \$3,251,922. Because cost approximates amortized cost, the carrying value was not adjusted.

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the taxing bodies in October and are actually billed to the taxpayers by the Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Plaquemines Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2006, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 16.45 mills on property with assessed valuations totaling \$573,371,140.

Total law enforcement taxes levied during 2006 were \$9,830,133. Taxes receivable in the General Fund at June 30, 2006 was \$26,956 and is presented as cash on the statement of net assets because the funds were in the hands of the tax collector at June 30, 2006.

The Sheriff received ad valorem taxes that were paid under protest. It is possible that these taxes (or a portion thereof) will have to be returned to the taxpayer. The amount received of \$305,563 is reflected as a restricted asset. The estimated amount that may have to be refunded is \$76,390 and is reflected as deferred revenue on the balance sheet at June 30, 2006.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Due From Other Governmental Units and Others

Amounts due from other governmental units at June 30, 2006 consist of the following:

Federal grants	\$8,009,904
Maintenance of prisoners - parish and state	49,355
State supplemental pay	30,900
Parish reimbursements for jail expenditures	3,553
Video poker	28,691
Other	<u>70,386</u>
	<u>\$8,192,789</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	Balance 07/01/05	Additions	Deletions	Balance 06/30/06
Governmental activities:				
Buildings and improvements	\$12,199,870	\$7,270,499	\$ (12,199,870)	\$ 7,270,499
Equipment and vehicles	<u>4,682,137</u>	<u>3,028,911</u>	<u>(1,240,235)</u>	<u>6,470,813</u>
Totals	<u>16,882,007</u>	<u>10,299,410</u>	<u>(13,440,105)</u>	<u>13,741,312</u>
Less accumulated depreciation				
Buildings and improvements	(1,277,550)	(268,726)	1,328,394	(217,882)
Equipment and vehicles	<u>(3,838,446)</u>	<u>(514,015)</u>	<u>1,064,770</u>	<u>(3,287,691)</u>
Total accumulated depreciation	<u>(5,115,996)</u>	<u>(782,741)</u>	<u>2,393,164</u>	<u>(3,505,573)</u>
Governmental activities, capital assets, net	<u>\$11,766,011</u>	<u>\$9,516,669</u>	<u>\$ (11,046,941)</u>	<u>\$ 10,235,739</u>

Depreciation expense was charged to governmental activities as operations and maintenance in the amount of \$782,741. Included in equipment and vehicles are \$541,070 of equipment and vehicles held under capital lease. Accumulated depreciation on the equipment and vehicles is \$119,026 at June 30, 2006.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2006:

Accounts	\$ 1,481,516
Due to employees	<u>85,100</u>
Totals	<u>\$ 1,566,616</u>

(8) Short-Term Debt

The Sheriff borrowed \$1,400,000 from Mississippi River Bank during the course of the fiscal year ended June 30, 2006 to cover general operating expenditures. This was a revenue anticipation note, bearing interest at 4.15%. The principal and interest due was paid before June 30, 2006. The Sheriff does not intend nor did they obtain authorization to borrow funds during the fiscal year ending June 30, 2007.

(9) Long-Term Debt

The following is a summary of long-term debt transactions of the Sheriff for the year ended June 30, 2006:

Long-term debt, June 30, 2005		\$ 5,707,405
Debt assumed:		
Community disaster loan	\$ 3,163,271	
Capital lease	114,765	
Bond refunding	<u>5,525,000</u>	8,803,036
Debt defeased		(5,405,000)
Debt retired		(101,600)
Less: Deferred loss on defeasance	(120,000)	
Amortization on deferred amount	<u>117,698</u>	<u>(2,302)</u>
Long-term debt, June 30, 2006		<u>\$ 9,001,539</u>

The General Fund has historically paid this debt.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

\$5,525,000 Series 2006 Certificate of Indebtedness due in annual installments of \$1,020,000 to \$1,200,000; interest rates of 4.00 percent to 4.50 percent; full maturity at December, 2012.		\$ 5,525,000
\$3,163,271 Community Disaster Loan due at maturity of December 2010; interest rate of 2.69 percent.		3,163,271
\$548,488 Capital Lease due in semi-annual installments of \$85,334 to \$97,719; interest rate of 5.50 percent; full maturity at December, 2008.		463,154
\$33,403 Capital Lease due in monthly installments of \$928; full maturity at December, 2007.		16,701
\$18,180 Capital Lease due in monthly installments of \$505; full maturity at April, 2008.		11,110
Less: Deferred amount of refunding	\$ (350,791)	
Deferred loss on defeasance	(120,000)	
Accumulated amortization	<u>293,094</u>	<u>(177,697)</u>
Total long-term debt		9,001,539
Less: Current portion		<u>(194,960)</u>
Net long-term portion		<u>\$ 8,806,579</u>

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 2006 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Amortization</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 194,960	\$ (177,697)	\$ 258,352	\$ 275,615
2008	1,218,286	-	245,864	1,464,150
2009	1,157,719	-	194,610	1,352,329
2010	1,100,000	-	149,525	1,249,525
2011	4,308,271	-	139,375	4,447,646
2012	1,200,000	-	54,000	1,254,000
	<u>\$9,179,236</u>	<u>\$ (177,697)</u>	<u>\$1,041,726</u>	<u>\$10,043,265</u>

The Sheriff issued \$6,110,000 of general obligation bonds (new debt) during fiscal year ended June 30, 2004 as a refunding of \$5,635,000 of general obligation bonds (old debt). The refunding was done to reduce the interest rate and to extend the amortization period. During the fiscal year ending June 30, 2006, these general obligation bonds, callable at March 1, 2009, were defeased and refunded in the amount of \$5,405,000. The balance of the defeased bonds at June 30, 2006 is \$4,685,000.

The advance refunding was done to decrease the cash outlay in the short-term by changing the debt structure to interest only payments until 2008. This actually increased total debt service by approximately \$450,000. This results in an economic loss of approximately \$275,000.

(10) Pension Plan

Plan Description: The Plaquemines Parish Sheriff contributes to the Sheriff's Pension and Relief Fund, a cost-sharing multiple employer defined benefit pension plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriff's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriff's Pension and Relief Fund, P.O. Box 3163, Monroe, LA 71210-3136.

Funding Policy: Plan members are required to contribute 9.8% of their annual covered salary and the Plaquemines Parish Sheriff is required to contribute at an actuarially determined rate. The rate was 10.95% annual covered payroll. The contribution requirements of plan members and the Plaquemines Parish Sheriff are estimated and may be amended by the Sheriff's Pension and Relief Fund. The Plaquemines Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2006, 2005 and 2004 were \$1,570,071, \$1,170,822 and \$923,966, respectively.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Postretirement Health Care and Life Insurance Benefits

The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for those benefits if they reach normal retirement age while working for the Sheriff. These benefits for the eight retirees and similar benefits for 222 active employees are provided through a self-insurance plan. The Sheriff recognizes the cost of providing the benefits for retirees as an expenditure when the monthly premiums are due. For the year ended June 30, 2006 the amount of retiree benefit expenditures (net of participant contributions of \$19,788) approximated \$77,942.

(12) Risk Management

The Sheriff is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. Health care risk, auto and professional liability, and workers' compensation risk are handled by self-insurance plans, which are explained in the following paragraphs. Property hazards are handled by purchasing commercial insurance. There have been no significant reductions in this insurance coverage during the current fiscal year, nor have settlements exceeded coverage for the past three years.

A. Health Care Liability

The Sheriff established a limited risk management program for group hospitalization insurance. The Sheriff hired Gulf South Risk Services, Inc. as administrator for this program. This plan provides employee health benefits up to a maximum of \$1,000,000 per employee in a lifetime. The Sheriff purchases commercial insurance for individual claims in excess of \$100,000.

The General Fund of the Sheriff recognizes the assets, liabilities, revenues and expenditures of the group hospitalization insurance plan. The claims liability of \$34,406 reported in the fund at June 30, 2006, is based on the loss that is probable to have existed at the date of the financial statements and the amount of the loss that can be reasonably reduced by estimated insurance reimbursements. The Sheriff currently does not discount its claims liabilities.

B. Auto Liability and Professional Liability

The Sheriff established a self-insurance plan to account for and finance its uninsured risk of loss, which is administered by Gallagher Basset Services. Under this plan, the Sheriff has a claims made policy with Coregis Insurance Company. The Sheriff is liable for claims up to \$100,000 per covered employee or dependent. The aggregate maximum that the Sheriff is liable for is \$650,000 for policy year ended September 2006.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

C. Workers' Compensation

The Sheriff established a limited risk management program for workers' compensation. The Sheriff hired Gulf South Risk Services, Inc. as the administrator for this program. The Sheriff purchases commercial insurance for individual claims in excess of \$200,000. Incurred but not paid claims have been accrued as a component of claims payable.

A reconciliation of changes in liabilities is as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
Group hospitalization				
2004-2005	\$ 161,878	\$1,282,675	\$(1,410,147)	\$ 34,406
2005-2006	34,406	1,479,404	(1,346,408)	167,402
Auto & Professional				
2004-2005	92,594	316,726	(345,909)	63,411
2005-2006	63,411	471,777	(464,964)	70,224
Workers' Compensation				
2004-2005	26,121	177,791	(177,123)	26,789
2005-2006	26,789	150,026	(106,007)	70,808

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

Claims payable for group hospitalization of \$167,402 at June 30, 2006 was determined as follows:

1. Claims incurred prior to June 30, 2006 and paid subsequently	\$ 195,163
2. Provision for claims incurred but not reported	-
3. Health insurance receivable	<u>(27,761)</u>
Total claims payable	<u>\$ 167,402</u>

The provision for claims incurred but not reported was estimated at June 30, 2006 based on historical information.

Claims payable for auto and professional liability and for workers' compensation is based on information provided by a third party administrator.

(13) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others and due to prisoners follows:

	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Installment Fines Fund</u>	<u>Bonds and Fines Fund</u>	<u>Prison Inmate Fund</u>
Balances, June 30, 2005	\$122,930	\$ 858,222	\$ 176,005	\$ 263,708	\$ 55,682
Additions	402,452	37,537,054	79,715	1,044,176	107,728
Reductions	<u>(412,062)</u>	<u>(36,918,938)</u>	<u>(77,105)</u>	<u>(1,020,855)</u>	<u>(133,500)</u>
Balances, June 30, 2006	<u>\$113,320</u>	<u>\$ 1,476,338</u>	<u>\$ 178,615</u>	<u>\$ 287,029</u>	<u>\$ 29,910</u>

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Operating Leases

Rental expense for the year ended June 30, 2006 was \$54,478. The Sheriff had the following outstanding lease agreements at June 30, 2006:

<u>Description</u>	<u>Term</u>	<u>Expiration Date</u>	<u>Monthly Lease Amount</u>
Postage meter	5 Years	11/08	\$ 221

The minimum future payments for these arrangements are as follows:

<u>Year Ended June 30</u>	
2007	\$2,652
2008	2,652
2009	<u>1,105</u>
Total	<u>\$6,409</u>

(15) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2006, the Sheriff is involved in several lawsuits claiming damages. Many of the claims are covered by the self-insured plan and are addressed in Note (12), part B. As such, no additional accrual was needed at June 30, 2006. Other claims have either had long periods of inactivity or are premature for estimation of possible loss. Therefore, no accrual has been recorded for these claims.

B. Grant Audit

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. A receivable of \$7,690,883 is included in due from other governmental units. This balance represents the amount expected to be reimbursed by the Fema Public Assistance Grant for expenditures incurred in year ended June 30, 2006. The receivable has been reduced by the total net questioned costs of \$136,569.

(16) Expenditures of the Sheriff's Office Paid by the Parish Council

The Sheriff's office is located in a Parish Government building. The cost of maintaining and operating the parish building, as required by statute, is paid by the Plaquemines Parish Council. These expenditures are not included in the accompanying financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes:				
Ad valorem	\$ 9,350,000	\$ 8,850,000	\$ 8,772,328	\$ (77,672)
Intergovernmental:				
Federal grants	24,000	15,102,176	13,280,488	(1,821,688)
Refuge revenue sharing (payment in lieu)	20,000	20,179	20,179	-
State of Louisiana -				
Revenue sharing	240,000	244,940	245,440	500
Poker machines	200,000	220,000	235,464	15,464
Supplemental pay	300,000	329,500	367,344	37,844
Grants	45,500	602,985	598,629	(4,356)
Total intergovernmental	829,500	16,519,780	14,747,544	(1,772,236)
Fees, charges, and commissions for services:				
Feeding and keeping prisoners	3,650,400	778,775	786,113	7,338
Civil and criminal fees	380,800	353,380	352,525	(855)
Reimbursements from parish council	400,000	83,955	87,578	3,623
Commissary sales commissions	100,000	11,313	11,434	121
Witness fees	5,000	5,000	5,000	-
Total fees, charges, and commissions for services	4,536,200	1,232,423	1,242,650	10,227
Interest income	55,000	51,000	113,023	62,023
Miscellaneous:				
Contraband	1,000	6,525	6,525	-
Miscellaneous	16,200	290	75,808	75,518
Insurance settlements	10,000	1,079,000	1,079,019	19
Permit fees	-	148,173	148,173	-
Donations	1,000	7,604	42,767	35,163
Total miscellaneous	28,200	1,241,592	1,352,292	110,700
Total revenues	\$ 14,798,900	\$ 27,894,795	\$ 26,227,837	\$ (1,666,958)

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Current:				
Public Safety -				
Personal services and related benefits:				
Sheriff's salary and expense allowance	109,558	109,558	109,558	-
Deputies' salaries	6,150,024	8,000,024	7,468,381	531,643
Pension and payroll taxes	1,343,000	1,591,437	1,691,686	(100,249)
Total personnel service and related benefits	7,602,582	9,701,019	9,269,625	431,394
Operating services:				
Hospitalization insurance	1,457,000	938,400	1,077,543	(139,143)
Hospitalization reinsurance/admin. fee	268,000	268,000	268,866	(866)
Life insurance	130,000	97,800	106,007	(8,207)
Auto insurance	250,000	325,000	496,977	(171,977)
Deputy liability insurance	533,000	480,019	494,732	(14,713)
Other liability insurance	145,000	123,982	242,472	(118,490)
Total operating services	2,783,000	2,233,201	2,686,597	(453,396)
Operations and maintenance:				
Auto fuel and oil	450,000	190,000	288,108	(98,108)
Auto maintenance	300,000	206,000	235,689	(29,689)
Deputy uniforms, supplies, etc.	88,000	50,902	80,967	(30,065)
Office supplies and expenses	170,000	101,086	51,128	49,958
Recordation expenses	35,000	4,500	4,700	(200)
Beeper expense	2,000	2,000	2,489	(489)
Leases and rentals	60,000	55,000	54,478	522
Utilities	291,000	65,500	54,662	10,838
Commissary	30,000	5,532	5,532	-
Telephone	103,000	107,075	103,997	3,078
Prisoner feeding and maintenance	867,500	189,617	168,754	20,863
Legal fees	15,000	887	3,582	(2,695)
Other professional fees	152,000	160,000	167,016	(7,016)

(continued)

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Hurricane expense	-	4,342,220	4,252,895	89,325
Criminal investigation expense	70,000	39,500	41,059	(1,559)
Equipment maintenance	125,000	80,000	15,916	64,084
Boat and computer maintenance	42,000	12,945	6,515	6,430
Witness fees	1,000	1,000	1,100	(100)
Membership dues	15,000	15,000	2,108	12,892
Debt issuance costs	45,000	42,618	261,879	(219,261)
Other	6,000	9,833	90,311	(80,478)
Total operations and maintenance	<u>2,867,500</u>	<u>5,681,215</u>	<u>5,892,885</u>	<u>(211,670)</u>
Travel	<u>15,000</u>	<u>21,500</u>	<u>21,917</u>	<u>(417)</u>
Debt service:				
Interest	303,910	111,520	174,737	(63,217)
Bond principal payments	720,000	-	-	-
Capital lease principal payments	<u>101,600</u>	<u>101,600</u>	<u>101,600</u>	<u>-</u>
Total debt service	<u>1,125,510</u>	<u>213,120</u>	<u>276,337</u>	<u>(63,217)</u>
Capital outlay:				
Equipment	<u>184,900</u>	<u>8,735,883</u>	<u>10,333,762</u>	<u>(1,597,879)</u>
Total capital outlay	<u>184,900</u>	<u>8,735,883</u>	<u>10,333,762</u>	<u>(1,597,879)</u>
Total expenditures	<u>\$ 14,578,492</u>	<u>\$26,585,938</u>	<u>\$ 28,481,123</u>	<u>\$ (1,895,185)</u>

The accompanying notes are an integral part of the basic financial statements.

OTHER SUPPLEMENTARY INFORMATION

**INTERNAL CONTROL
COMPLIANCE
AND
OTHER MATTERS**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Irvin F. Hingle, Jr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plaquemines Parish Sheriff, as of and for the year ended June 30, 2006, which collectively comprise the Sheriff's basic financial and have issued our report thereon dated November 9, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Plaquemines Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Plaquemines Parish Sheriff's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The reportable condition noted is described in the accompanying schedule of findings, questioned costs and management's corrective action plan as item 06-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described as item 06-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plaquemines Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings, questioned costs and management's corrective action plan as items 06-2 and 06-3.

This report is intended solely for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 9, 2006

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Irvin F. Hingle, Jr.
Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Compliance

We have audited the compliance of the Plaquemines Parish Sheriff with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. Plaquemines Parish Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Plaquemines Parish Sheriff's management. Our responsibility is to express an opinion on the Plaquemines Parish Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Plaquemines Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Plaquemines Parish Sheriff's compliance with those requirements.

In our opinion, the Plaquemines Parish Sheriff complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 06-4 and 06-5.

Member of:
AMERICAN INSTITUTE OF
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Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Internal Control Over Compliance

The management of the Plaquemines Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Plaquemines Parish Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 9, 2006

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2006

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Plaquemines Parish Sheriff (the Sheriff). The Sheriff reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2006. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The major programs are identified with an asterisk (*) on the schedule.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Sheriff's basic financial statements for the year ended June 30, 2006.

(3) Relationship to Fund Financial Statements

Federal financial assistance revenues are reported in the Sheriff's fund financial statements as follows:

General Fund – Revenue	\$ 13,280,488
General Fund – Other Financing Source	3,163,271
General Fund – Deferred Revenue	<u>6,811,410</u>
Total reported on fund financial statements	23,255,169
Not yet reported on fund financial statements	<u>879,473</u>
Total	<u>\$24,134,642</u>

(4) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Name/Grant Name	Pass-through Identifying Number	CFDA Number	Revenue Recognized	Expenditures
<u>United States Department of Homeland Security</u>				
Community Disaster Loan Program*	N/A	97.030	\$ 3,163,271	\$ 3,163,271
Passed through Louisiana Office of Homeland Security and Emergency Preparedness -				
Disaster Grants - Public Assistance*	X-B-001	97.036	17,835,496	17,835,496
Total United States Department of Homeland Security			20,998,767	20,998,767
<u>United States Department of Justice</u>				
Passed through Louisiana Commission on Law Enforcement -				
Edward Byrne Memorial Justice Program/CJ Infrastructure Recovery *	Y06-8-034	16.738	3,048,510	3,048,510
Edward Byrne Memorial Justice Program/Katrina Emergency Funds*	B05-8-042	16.738	33,330	33,330
Edward Byrne Memorial Formula Grant Program/Anti-terrorist Program	B04-7-016	16.579	4,282	4,282
Edward Byrne Memorial Formula Grant Program/Electronic Equipment	P06-7-018	16.579	1,248	1,248
Edward Byrne Memorial Formula Grant Program/Street Sales Disruption	B04-7-022	16.579	4,650	4,650
Crime Victim Assistance/Victim Assistance Program	C05-7-024	16.575	26,937	26,937
Bulletproof Vest Partnership Program	**	16.607	10,918	10,918
Juvenile Justice and Delinquency Prevention	J03-8-010	16.540	6,000	6,000
Total United States Department of Justice			3,135,875	3,135,875
Total			\$24,134,642	\$24,134,642

* - Denotes major program
** - Not readily accessible

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan
Year Ended June 30, 2006

Part I: Summary of Auditor's Results:

1. An unqualified report was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the financial statements.
3. One instance of material noncompliance was disclosed.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed findings required to be reported under Section 510(a) of Circular A-133.
7. The major programs were:
 - U. S. Department of Homeland Security: Community Disaster Loan Program
 - U. S. Department of Homeland Security: Disaster Grants – Public Assistance
 - U. S. Dept. of Justice: Edward Byrne Memorial Justice Program/CJ Infrastructure Recovery
 - U. S. Dept. of Justice: Edward Byrne Memorial Justice Program/Katrina Emergency Funds
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$629,141.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2006

Part II: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

06-1 Inadequate Segregation of Accounting Functions

Condition and Criteria:

The Sheriff's department did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a significant deficiency in the internal control structure of the Sheriff's department.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Sheriff Irvin Hingle decided that it is not cost effective to achieve adequate segregation of accounting duties. No plan is considered necessary.

06-2 Property Taxes

Condition and Criteria:

Property taxes, on several occasions, were not settled within the first ten days of the month following the month of collection in accordance with Louisiana Revised Statutes 47:2060.

Effect:

Property taxes were not settled in a timely manner.

Cause:

The condition occurred as a result of a failure to implement procedures and policies to ensure timely settlements.

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2006

Recommendation:

The responsible Sheriff department personnel should place more emphasis on timely settlement of property taxes.

Management's Corrective Action Plan:

Ms. Monica Nicosia, Senior Accountant, will place more emphasis on timely settlement of property taxes. This plan shall be implemented immediately.

06-3 Noncompliance with Louisiana Local Government Budget Act

Condition and Criteria:

The General Fund had an unfavorable variance of approximately 6% for revenues and approximately 7% for expenditures. Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when total actual revenues plus projected revenue fail to meet total budgeted revenue by five (5) percent or more. Also, the budget must be amended when actual expenditures plus projected expenditures exceed the budgeted expenditures by five (5) percent or more.

Effect:

Actual revenues failed to meet the total budgeted revenue by more than the five (5) percent allowed by law while expenditures exceeded the budget by more than the five (5) percent allowed by law.

Cause:

When preparing the budget for the general fund for the fiscal year, the total amount of one particular federal award was included in the budget. However, some of the grant award was not received/recognized as revenue in the current fiscal year. Also, there were several expenditures that were not anticipated and therefore not budgeted.

Recommendation:

The budget for future years should be amended when necessary to comply with Louisiana law.

Management's Corrective Action Plan:

Mr. Lawrence Tabony, Chief Deputy Tax Collector, will compare actual results to the adopted budget. He will make necessary amendments to comply with Louisiana law. This plan shall be implemented immediately.

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2006

Part III: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

06-4 Unallowable Costs

Condition and Criteria:

Plaquemines Parish Sheriff reported equipment that the sheriff's department rents on its Force Account Equipment Summary. Force account equipment reimbursement is only allowable for equipment that the sheriff's department owns.

Major Federal Program:

Federal Agency Department of Homeland Security: Disaster Grants – Public Assistance
(CFDA No: 97.036)

Effect:

The force account equipment summary was overstated by approximately \$149,000.

Cause:

The sheriff's department was unaware of this provision (ie: they were not aware that rental equipment was not eligible for force account equipment reimbursement.)

Questioned Costs:

Questioned costs are \$149,000 relative to this finding.

Recommendation:

We suggest that the sheriff's department review the grant information relative to allowable and unallowable costs.

Corrective Action Taken and Management's Response:

Ms. Monica Nicosia, Senior Accountant, plans to amend the force account equipment information to eliminate the rental equipment from the summary. This action will be complete by June 30, 2007.

06-5 Allowable Costs Not Requested

Condition and Criteria:

Plaquemines Parish Sheriff did not request reimbursement on its Rented Equipment Summary for equipment that the sheriff's department rents.

Plaquemines Parish Sheriff
Pointe-A-La-Hache, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2006

Major Federal Program:

Federal Agency Department of Homeland Security: Disaster Grants – Public Assistance
(CFDA No: 97.036)

Effect:

Rented equipment request was understated by approximately \$12,000.

Cause:

The sheriff's department claimed the use of the rentals as force equipment instead of as rented equipment.

Questioned Costs:

There were no questioned costs relative to this finding.

Recommendation:

We suggest that the sheriff's department review the grant information relative to allowable and unallowable costs.

Corrective Action Taken and Management's Response:

Ms. Monica Nicosia, Senior Accountant, plans to amend its rented equipment information to include the rental equipment. This action will be complete by June 30, 2007.

Part IV: Management Letter Items:

There are no management letter items at June 30, 2006.

PLAQUEMINES PARISH SHERIFF
Pointe-A-La-Hache, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2006

Section I: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

05-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees the Sheriff did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 06-1.

05-2 Property Taxes

Finding:

Property taxes, on one occasion, were not settled within the first ten days of the month following the month of collection in accordance with Louisiana Revised Statutes 47:2060.

Status:

Unresolved. See item 06-2.

05-3 Noncompliance with Louisiana Local Government Budget Act

Finding:

Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when total actual expenditures plus expected expenditures exceed the budgeted expenditures by five (5) percent or more. The General Fund had an unfavorable variance of approximately 5%.

Status:

Unresolved. See item 06-3.

Section II: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

An audit of federal awards was not performed at June 30, 2005; therefore, there were no findings at June 30, 2005.

Section III: Management Letter Items:

There were no management letter items at June 30, 2005.